

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 258 - HB 344

March 20, 2013

SUMMARY OF BILL: Requires a person to receive a certificate of need prior to initiating computed tomography health services.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Exceeds \$45,000/Recurring

**Increase State Expenditures - \$4,600/One-Time
Exceeds \$118,800/Recurring**

Assumptions:

- The Department of Health, Office of Policy, Planning, and Assessment (PPA) provides application review and reporting assistance to the Health Services and Development Agency (HSDA) pursuant to Tenn. Code Ann. §68-11-1608.
- According to PPA, the office will be required to complete an average of 15 additional application reviews annually. Due to the time necessary to complete a review, the office will need an additional position to meet the workload demands.
- The new position will result in one-time state expenditures of \$4,600 (\$2,700 office landscaping + \$1,900 computer costs) and recurring state expenditures of \$73,814 (\$48,000 salary + \$13,214 benefits + \$7,900 administrative cost allocation + \$4,100 office space lease + \$600 office supplies).
- According to HSDA, any increase in expenditures associated with processing a certificate of need application will be offset by an increase in revenue from the examination fee.
- According to Tenn. Comp. R. and Regs. 720-10-.03(5), the total examination fee is an amount equal to \$2.25 per \$1,000 of the project cost involved, but in no case will the fee be less than \$3,000 or more than \$45,000.
- It is estimated that fifteen additional certificate of need applications will be processed by HSDA resulting in increased state revenues and increased state expenditures of at least \$45,000 (15 examinations x \$3,000).
- It is estimated that the total one-time increase in state expenditures will be \$4,600.
- It is estimated that the total recurring increase in state expenditures will be at least \$118,814 (\$73,814 + \$45,000).
- It is estimated that the total recurring increase in state revenue will be at least \$45,000.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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